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No. 99-1287

IN THE

Supreme Court of the United States

MITSUBISHI ELECTRIC CORPORATION,

Petitioner,

v.

AMPEX CORPORATION,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF FOR PETITIONER

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ABBREVIATIONS

xx:xx	Italicized numbers refer to pages of the trial transcript
A.	Refers to Joint Appendix from appeal to the Federal Circuit Court of Appeals
AB	Refers to Ampex's opposing brief
App.	Refers to the Appendix to Mitsubishi's opening brief

INTRODUCTION

Respondent, Ampex, attempts to obfuscate the merits of this petition by raising matters not germane to the issue before the Court by arguing that Petitioner, Mitsubishi, invited the error by allegedly submitting the general verdict form[1] or waived the right to review under the *Sunkist* rule by otherwise failing to object to the general verdict form. However, the issue to be decided does not depend upon which party proposed the general verdict form, or whether Mitsubishi objected to the form. For the purposes of this petition, it is irrelevant which party submitted the form, and Mitsubishi repeats its position that there was no error in the form of the verdict as a general verdict form.

Ampex's argument that Mitsubishi waived the *Sunkist* rule by "failing" to object to the verdict form begs the question. The issue created by the Federal Circuit's decision is whether *any* objection is needed to preserve the right to review on appeal using the *Sunkist* multiple-claims general verdict standard that requires the reversal of a general verdict if any one of the claims or defenses was submitted to the jury in error or was not supported by substantial evidence. *None* of the cases relied upon by Ampex requires an objection to obtain such a review on appeal.

Because the Federal Circuit held, for the first time, that a party is not entitled to review of the jury's general invalidity verdict under *Sunkist* because it had not objected to the form

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1. Contrary to Ampex's assertion in footnote 6 of its brief, while the trial court may have instructed the jury that they were being given a special verdict, the particular questions regarding invalidity were in the form of a general verdict because they did not address each of the separate alleged grounds for invalidity.

of the verdict, it denied Mitsubishi its Seventh Amendment right to a jury trial. Mitsubishi respectfully submits that the grant of a writ of certiorari on this significant issue is warranted in this matter.

I.

MITSUBISHI DID *NOT* WAIVE THE RIGHT TO HAVE THE GENERAL JURY VERDICT REVIEWED UNDER THE *SUNKIST* STANDARD.

Contrary to Ampex's position, Mitsubishi properly preserved its right to have the general verdict reviewed on appeal by asserting in a motion for new trial the lack of substantial evidence supporting the alleged grounds for invalidity. *Arachnid, Inc. v. Medalist Marketing Corp.*, 972 F.2d 1300, 1303 (Fed. Cir. 1992).[2]

Second, Mitsubishi did not waive its right to have the general verdict reviewed under the *Sunkist* standard by failing to interpose an objection to the form of the verdict. Prior to the Federal Circuit's decision in this case, no reported decision has held that an objection must be made to the form of the verdict to preserve the right of review using the *Sunkist* standard. 9 Wright & Miller, *Federal Practice & Procedure: Civil*, § 2505 (1995) ("there ought never be a reversal for use or nonuse of special verdicts"). This is the precise underpinning of *Sunkist*.

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2. Mitsubishi did not object to the form of the verdict because the Federal Circuit's precedent which established that the trial court's choice of the *type* of verdict form to give to the jury under Rule 49 cannot constitute error. *Shatterproof Glass Corp. v. Libbey-Owens Ford Co.*, 758 F.2d 613, 627 (Fed. Cir. 1985).

Ampex cites two Federal Circuit cases that it argues supports its position that a party must object to the form of a verdict as a prerequisite to invoking the multiple-claims-single-verdict ground for review and a new trial. (AB 10) Neither is apposite. In *Hoechst Celanese Corp. v. BP Chemicals, Ltd.*, 78 F.3d 1575, 1581 (Fed. Cir. 1996), the Federal Circuit held that a party waives review of an alleged error in a verdict form where the party proposed the form used by the court. In that case, a party which belatedly objected to the general verdict form on the ground that patent infringement under the doctrine of equivalents was an "inapplicable theory" was held to have waived any objection to the verdict form. By comparison, Mitsubishi does not contend that any defenses were improperly submitted to the jury, but rather that there was insufficient evidence to support one or more of them — a traditional ground for automatic reversal of a general verdict involving multiple claims. Indeed, even as it held that a waiver existed, the *Hoechst* court nonetheless reviewed whether substantial evidence existed for both literal infringement and infringement under the doctrine of equivalents and found that the verdict was properly supported by the evidence on both claims. 78 F.3d at 1582.[3]

Ampex also relies upon *Weinar v. Rollform Inc.*, 744 F.2d 797, 803 (Fed. Cir. 1984) to support the Federal Circuit's decision that Mitsubishi's failure to object to the

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3. Notably, in *Hoechst*, the court rejected an attack upon the general verdict based upon a lack of sufficient evidence because the defendant failed to raise the issue by motion for directed verdict. The court made no reference to a requirement that an objection to the verdict form was a prerequisite to such an attack on appeal, impliedly recognizing that an objection to the form of a verdict is not a precondition to review under the *Sunkist rule*.

form of the verdict constitutes a waiver of such objections. In *Weinar*, the plaintiff objected to the use of fact interrogatories — not a special verdict form — but then sought on appeal to attack the finding of invalidity on the absence of factual findings reflecting the basis for the jury's verdict. Finding that the plaintiff had waived its right to object to the absence of fact interrogatories, *Weinar* followed the general rule that if any one of several *factual* theories supports a *single* claim or defense, the verdict will be upheld. *Weinar* simply does not address or hold that the failure to object to the form of the verdict results in a waiver of the *Sunkist* rule.

Ampex further relies upon the Ninth Circuit's decision in *McCord v. Maguire*, 873 F.2d 1271, 1273-74 (9th Cir. 1989), which concerned a *single* theory of liability which could have been supported by any one of various fact patterns. This is a different issue than that presented by a general verdict based on *multiple* underlying legal theories of liability, and a significant distinction which was underscored by the court. 873 F.2d at 1273-74. Ampex simply mischaracterizes the procedural posture as involving "different theories of liability" — only different conduct supporting a single legal claim (negligence) was involved — and then proceeds to misapply the holdings of the decision as though it pertained to a multiple-claim general verdict. *McCord* does not apply.

Contrary to Ampex's effort to mischaracterize *Royal Typewriter Co. v. Xerographic Supplies Corp.*, 719 F.2d 1092, 1099 n.1 (11th Cir. 1983) (AB 14-15), that case held that a party cannot waive review under the *Sunkist* rule. In *Royal Typewriter*, the trial court rejected as too complex a special verdict form proposed by the plaintiff and submitted

the case on a general verdict form. After the jury returned a verdict for the defendant, the plaintiff appealed on the basis, *inter alia*, that erroneous theories of liability and damages had been submitted to the jury. The court of appeals' opinion does not reflect that the plaintiff objected to the verdict form nor is there any indication that there was any need to do so. The defendant, seeking to uphold the favorable jury award, argued that the plaintiff had "waived its protection under this court's rule regarding appellate review of general verdicts by requesting special interrogatories that were 'utterly lengthy, confusing and complex.' " *Id.* Rejecting that waiver argument, the court held that "[t]he burden of supporting the general verdict in a case containing multiple issues rests on the [defendant]." *Id.* Thus, the *Royal Typewriter* court made clear that a party cannot waive the right to review using the *Sunkist* rule because the burden is not on the losing party to avoid a waiver, but on the prevailing party to defend the general verdict.

II.

MITSUBISHI DID NOT INVITE THE USE OF THE GENERAL VERDICT.

In an unfounded effort to disqualify Mitsubishi from its entitlement to a review of the general verdict using the *Sunkist* standard, Ampex argues that Mitsubishi waived that right by submitting the general verdict form used by the court. (AB 7-10) As discussed above, the source of the general verdict form, as a threshold matter, is not relevant to this appeal. Whether a party is entitled to review of a multiple-claim-general verdict under the *Sunkist* rule is not dependent upon which party submitted the form, but is an independent right stemming from the ambiguity inherent in the use of a

general verdict form when multiple claims or defenses are involved.

Moreover, this argument is factually unsupportable in any event. Mitsubishi submitted a special verdict on invalidity that itemized every defense except indefiniteness, which it asserted was an issue of law for the court. (A7996; A8000; A470; *78:12-16*) Following closing arguments, the trial court asked the parties to modify the verdict forms so as to not "overload [the jury] with fact finding." (A489; *152:5-6*) When counsel for Mitsubishi asked whether this meant a general verdict on the validity issues was desired, the trial court responded affirmatively. The exchange between the trail court and the parties went as follows:

> *The Court*: Do you agree that each claim should be the subject of a finding by the jury?
>
> *Ampex's Counsel*: I'm not sure that's necessary. Certainly not validity. . . .
>
> *The Court*: I have never seen one like this submitted on each claim. I think we should have a special verdict on the issue of literal infringement, a special verdict on the issue of equivalent infringement. And those should be alternative. Then we should have a, you know.
>
> I know it's not recommended but there was a time when we would give them a general verdict, if you find for the plaintiff or the defendant. I know that the Circuit does not like that. They like findings but I don't know that they like them to this extent.

> *Mitsubishi's Counsel*: Your honor, would it be then to the extent do you find any of the claims infringed? If so, do you find any such infringed claims not invalid? That would be it.
>
> *The Court*: Most of these are fine. If they could be done that way. The willful infringement question appears to be appropriate. And the, there's one for each patent.
>
> *The validity, here again we're talking about claims. And I think that maybe validity of the patent. Same way we handle the others will be sufficient.*

(A489; *153:15-154:1-14* (emphasis added)) This was also clearly *Ampex's* interpretation of this discussion as it, like Mitsubishi, submitted a verdict form that included a general verdict on the validity issues. (A12828-33)

III.

THE DISTRICT COURT DID NOT FIND THAT THERE WAS SUBSTANTIAL EVIDENCE TO SUPPORT EACH GROUND OF INVALIDITY ASSERTED BY AMPEX.

In an alternative argument, Ampex mistakenly argues that the Federal Circuit's decision should be upheld because it found that "all grounds for invalidity were supported," relying upon two out-of-context quotations from the Court's opinion. (AB 5, 6 & n.5) However, Ampex's argument is based upon a clear misreading of the opinion. The section upon which Ampex bases its argument concerned the Federal

Circuit's review of the finding of invalidity of the *'612* patent, a finding which is not at issue in this petition. (App. 7a-9a) Mitsubishi's petition only involves the Federal Circuit's review of the general verdict of invalidity of its '533 patent. A careful reading of the Federal Circuit's opinion reveals that its conclusions regarding the adequacy of the evidence to support the jury's finding of invalidity — liberally quoted by Ampex — applied only to the '612 patent, and had nothing to do with the finding of invalidity of the '533 patent here at issue. While the court reviewed each of the three asserted grounds for invalidity of the '612 patent, it reviewed only one of the three separate and different grounds for invalidity of the '533 patent. *Compare* App. 6a-10a *with* App. 18a-29a.

CONCLUSION

Because the Federal Circuit's decision failed to apply the established *Sunkist* standard for review of multiple-claim-single-verdicts, and thereby deprived Mitsubishi of its Seventh Amendment right to a jury trial, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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